



**California State Treasurer's Office
Certification Regarding Investment Protection Standards**

Name of Firm: _____

The Investment Protection Standards (the "Standards") apply to all financial organizations doing business with the State of California. The Standards are attached hereto as Exhibit 1.

1. "Financial organization" for purposes of this Certification means: "any financial organization that is authorized to provide investment banking services and/or broker/dealer services to the State Treasurer's Office or to any of the boards/commissions/authorities for which the Treasurer makes appointments for these services and that also provides equity research and investment banking services to any client."

Is this firm a "financial organization" pursuant to this definition?

_____ Yes _____ No

If the answer to question 1 is "No," complete the signature block at the end of the Certification and return to the address indicated on page 2. No further action is required to maintain your current authorization to do business with the State Treasurer's Office.

2. If the firm is a "financial organization" as defined above, the firm shall describe how the firm will implement and comply with each of the substantive provisions of the Standards within the timeframes set forth in section II, paragraph 5 therein. In providing its response, the firm must use the pages attached hereto (and additional pages as necessary) as Exhibit 2. The firm may propose a specific alternative method for complying with one or more of the Standards, which will be considered only if such alternative method is consistent with the intent of the Standards and achieves the same substantive objective.

Note: Incomplete responses will be rejected.

A senior officer of the firm, with requisite authority to sign on behalf of the firm, must sign the certification. Please return the certification and the required attachments to the address indicated below by October 1, 2003.

Information completed and certified by:

Name

Title

Firm

Signature

Date

Please return to:

Investment Protection Standards Project
Attn: Christina Sarron

U.S. Mail

State Treasurer's Office
P.O. Box 94209
Sacramento, CA 94209-0001

Overnight Mail

State Treasurer's Office
915 Capitol Mall, Room ____
Sacramento, CA 95814

For Inquiries: Telephone Number: (916) 653-2995

Investment Protection Standards

I. Separation of Research and Investment Banking

1. Reporting Lines. Research and Investment Banking will be separate units with entirely separate reporting lines within the firm – i.e., Research will not report directly or indirectly to or through Investment Banking. For these purposes, the head of Research may report to or through a person or persons to whom the head of Investment Banking also reports, provided that such person or persons have no direct responsibility for Investment Banking or investment banking activities.
 - a. As used throughout these Standards, the term “firm” means the financial organization, the financial organization’s successors and assigns (which, for these purposes, shall include a successor or assign to financial organization’s investment banking and research operations), and their affiliates, other than “exempt investment adviser affiliates.”
 - b. As used throughout these Standards, the terms “exempt investment adviser affiliate” means an investment adviser affiliate (including, for these purposes, a separately identifiable department or division that is principally engaged in the provision of investment advice to managed accounts as governed by the Investment Advisers Act of 1940 or investment companies under the Investment Company Act of 1940) having no officers (or persons performing similar functions) or employees in common with the firm (which, for purposes of this Section I.1.b, shall not include the investment adviser affiliate) who can influence the activities of the firm’s Research personnel or the content of the firm’s research reports; provided that the firm (i) maintains and enforces written policies and procedures reasonably designed to prevent the firm, and controlling persons, officers (or persons performing similar functions), or employees of the firm from influencing or seeking to influence the activities of Research personnel or the content of research reports prepared by the investment adviser affiliate; (ii) obtains an annual independent assessment of the operation of such policies and procedures; and (iii) does not furnish to its customers research reports prepared by the investment adviser affiliate or otherwise use such investment adviser affiliate to do indirectly what the firm may not do directly under these Standards.
 - c. As used throughout these Standards, the term “Investment Banking” means all firm personnel engaged principally in investment banking activities, including the solicitation of issuers and structuring of public offering and other investment banking transactions. It also includes all firm personnel who are directly or indirectly supervised by such persons and all personnel who directly or indirectly supervise such persons, up to and including Investment Banking management.
 - d. As used throughout these Standards, the term “Research” means all firm personnel engaged principally in the preparation and/or publication of research reports, including firm personnel who are directly or indirectly supervised by such persons

and those who directly or indirectly supervise such persons, up to and including Research management.

- e. As used throughout these Standards, the term “research report” means any written (including electronic) communication that is furnished by the firm to investors in the U.S. and that includes an analysis of the common stock, any security convertible into common stock, or any derivative thereof, including American Depositary Receipts (collectively, “Securities”), of an issuer or issuers and provides information reasonably sufficient upon which to base an investment decision; provided, however, that a “research report” shall not include:
 - i. the following communications, if they do not include (except as specified below) an analysis, recommendation or rating (e.g., buy/sell/hold, under perform/market perform/outperform, underweight/market weight/overweight, etc.) of individual securities or issuers:
 - 1. reports discussing broad-based indices, such as the Russell 2000 or S&P 500 index;
 - 2. reports commenting on economic, political or market (including trading) conditions;
 - 3. technical or quantitative analysis concerning the demand and supply for a sector, index or industry based on trading volume and price;
 - 4. reports that recommend increasing or decreasing holdings in particular industries or sectors or types of securities; and
 - 5. statistical summaries of multiple companies’ financial data and broad-based summaries or listings of recommendations or ratings contained in previously-issued research reports, provided that such summaries or listings do not include any analysis of individual companies; and
 - ii. the following communications, even if they include information reasonably sufficient upon which to base an investment decision or a recommendation or rating of individual securities or companies:
 - 1. an analysis prepared for a current or prospective investing customer or group of current or prospective investing customers by a registered salesperson or trader who is (or group of registered salespersons or traders who are) not principally engaged in the preparation or publication of research reports; and
 - 2. periodic reports, solicitations or other communications prepared for current or prospective investment company shareholders (or similar beneficial owners of trusts and limited partnerships) or discretionary investment account clients, provided that such communications discuss past performance or the basis for previously made discretionary investment decisions.

2. Legal/Compliance. Research will have its own dedicated legal and compliance staff, who may be a part of the firm's overall compliance/legal infrastructure.
3. Budget. Beginning with the firm's next fiscal year and thereafter, Research budget and allocation of Research expenses will be determined by the firm's senior management (e.g., CEO/Chairman/management committee, other than Investment Banking personnel) without input from Investment Banking and without regard to specific revenues or results derived from Investment Banking, though revenues and results of the firm as a whole may be considered in determining Research budget and allocation of Research expenses. On an annual basis thereafter, the Audit Committee of the firm's holding/parent company (or comparable independent persons/group without management responsibilities) will review the budgeting and expense allocation process with respect to Research to ensure compliance with this requirement.
4. Physical Separation. Research and Investment Banking will be physically separated. Such physical separation will be reasonably designed to prevent the intentional and unintentional flow of information between Research and Investment Banking.
5. Compensation. Compensation of professional Research personnel will be determined exclusively by Research management and the firm's senior management (but not including Investment Banking personnel) using the following principles:
 - a. Investment Banking will have no input into compensation decisions.
 - b. Compensation may not be based directly or indirectly on Investment Banking revenues or results; provided, however, that compensation may relate to the revenues or results of the firm as a whole.
 - c. A significant portion of the compensation of anyone principally engaged in the preparation of research reports (as defined in these Standards) that he or she is required to certify pursuant to Regulation AC (such person hereinafter a "lead analyst") must be based on quantifiable measures of the quality and accuracy of the lead analyst's research and analysis, including his or her ratings and price targets, if any. In assessing quality, the firm may rely on, among other things, evaluations by the firm's investing customers, evaluations by the firm's sales personnel and rankings in independent surveys. In assessing accuracy, the firm may use the actual performance of a company or its equity securities to rank its own lead analysts' ratings and price targets, if any, and forecasts, if any, against those of other firms, as well as against benchmarks such as market or sector indices.
 - d. Other factors that may be taken into consideration in determining lead analyst compensation include: (i) market capitalization of and the potential interest of the firm's investing clients in research with respect to, the industry covered by the analyst; (ii) Research management's assessment of the analyst's overall performance of job duties, abilities and leadership; (iii) the analyst's seniority and experience; (iv) the analyst's productivity; and (v) the market for the hiring and retention of analysts.

- e. The criteria to be used for compensation decisions will be determined by Research management and the firm's senior management (not including Investment Banking) and set forth in writing in advance.
- f. Research management will document the basis for each compensation decision made with respect to (i) anyone who, in the last 12 months, has been required to certify a research report (as defined in these Standards) pursuant to Regulation AC; and (ii) anyone who is a member of Research management, (except in the case of senior-most research management, in which case the basis for each compensation decision will be documented by the firm's senior management).

On an annual basis, the Compensation Committee of the firm's holding/parent company (or comparable independent persons/group without management responsibilities) will review the compensation process for Research personnel. Such review will be reasonably designed to ensure that compensation decisions have been made in a manner that is consistent with these requirements.

- 6. Evaluations. Evaluations of Research personnel will not be done by, nor will there be input from, Investment Banking personnel.
- 7. Coverage. Investment Banking will have no input into company-specific coverage decisions (i.e., whether or not to initiate or terminate coverage of a particular company in research reports furnished by the firm), and investment banking revenues or potential revenues will not be taken into account in making company-specific coverage decisions; provided, however, that this requirement does not apply to category-by-category coverage decisions (e.g., a given industry sector, all issuers underwritten by the firm, companies meeting a certain market cap threshold).
- 8. Termination of Coverage. When a decision is made to terminate coverage of a particular company in the firm's research reports (whether as a result of a company-specific or category-by-category decision), the firm will make available a final research report on the company using the means of dissemination equivalent to those it ordinarily uses; provided, however, that no final report is required for any company as to which the firm's prior coverage has been limited to purely quantitative analysis. Such report will be comparable to prior reports, unless it is impracticable for the firm to produce a comparable report (e.g., if the analyst covering the company and/or sector has left the firm). In any event, the final research report must disclose: the firm's termination of coverage; and the rationale for the decision to terminate coverage.
- 9. Prohibition on Soliciting Investment Banking Business. Research is prohibited from participating in efforts to solicit investment-banking business. Accordingly, Research may not, among other things, participate in any "pitches" for investment banking business to prospective investment banking clients, or have other communications with companies for the purpose of soliciting investment-banking business.

10. Firewalls Between Research and Investment Banking. So as to reduce further the potential for conflicts of interest or the appearance of conflicts of interest, the firm must create and enforce firewalls between Research and Investment Banking reasonably designed to prohibit all communications between the two except as expressly described below:
- a. Investment Banking personnel may seek, through Research management (or an appropriate designee with comparable management or control responsibilities (“Designee”)) or in the presence of internal legal or compliance staff, the views of Research personnel about the merits of a proposed transaction, a potential candidate for a transaction, or market or industry trends, conditions or developments. Research personnel may respond to such inquiries on these subjects through Research management or its Designee or in the presence of internal legal or compliance staff. In addition, Research personnel, through Research management or its Designee or in the presence of internal legal or compliance staff, may initiate communications with Investment Banking personnel relating to market or industry trends, conditions or developments, provided that such communications are consistent in nature with the types of communications that an analyst might have with investing customers. Any communications between Research and Investment banking personnel must not be made for the specific purpose of having Research personnel identify specific potential investment banking transactions.
 - b. In response to a request by a commitment or similar committee or subgroup thereof, Research personnel may communicate their views about a proposed transaction or potential candidate for a transaction to the committee or subgroup thereof in connection with the review of such transaction or candidate by the committee. Investment Banking personnel working on the proposed transaction may participate with the research personnel in these discussions with such committee or subgroup. However, the Research personnel also must have an opportunity to express their views to the committee or subgroup outside the presence of such Investment Banking personnel.
 - c. Research personnel may assist the firm in confirming the adequacy of disclosure in offering or other disclosure documents for a transaction based on the analysts’ communications with the company and other vetting conducted outside the presence of Investment Banking personnel, but to the extent communicated to Investment Banking personnel, such communication shall only be made in the presence of underwriters’ or other counsel on the transaction or internal legal or compliance staff.
 - d. After the firm receives an investment banking mandate, or in connection with a block bid or similar transaction, research personnel may (i) communicate their views on the structuring and pricing of the transaction to personnel in the firm’s equity capital markets group, which group’s principal job responsibility is the pricing and structuring of transactions (including by participating with the firm’s equity capital markets group in the preparation of internal-use memoranda and other efforts to

educate the sales force), and (ii) provide to such personnel other information obtained from investing customers relevant to the pricing and structuring of the transaction.

- e. Research personnel may attend or participate in a widely attended conference attended by Investment Banking personnel or in which Investment Banking personnel participate, provided that the Research personnel do not participate in activities otherwise prohibited herein.
- f. Research and Investment Banking personnel may attend or participate in widely attended firm or regional meetings at which matters of general firm interest are discussed. Research management and Investment Banking management may attend meetings or sit on firm management, risk or similar committees at which general business and plans (including those of Investment Banking and Research) and other matters of general firm interest are discussed. Research and Investment Banking personnel may communicate with each other with respect to legal or compliance issues, provided that internal legal or compliance staff is present.
- g. Communications between Research and Investment Banking personnel that are not related to investment banking or research activities may take place without restriction.

11. Additional Restrictions on Activities By Research and Investment Banking Personnel

- a. Research personnel are prohibited from participating in company – or Investment Banking – sponsored road shows related to a public offering or other investment banking transaction.
- b. Investment Banking personnel are prohibited from directing Research personnel to engage in marketing or selling efforts to investors with respect to an investment banking transaction.

12. Oversight. An oversight/monitoring committee or committees, which will be comprised of representatives of Research management and may include others (but not personnel from Investment Banking), will be created to:

- a. review (beforehand, where practicable) all changes in ratings, if any, and material changes in price targets, if any, contained in the firm's research reports;
- b. conduct periodic reviews of research reports to determine whether changes in ratings or price targets, if any, should be considered; and
- c. monitor the overall quality and accuracy of the firm's research reports;

provided, however, that Sections I.12.a and I.12.b of these Standards shall not be required with respect to research reports limited to purely quantitative analysis.

II. Disclosure/Transparency and Other Issues

1. Disclosures. In addition to other disclosures required by rule, the firm must disclose prominently on the first page of any research report and any summary or listing of recommendations or ratings contained in previously-issued research reports, in type no smaller than the type used for the text of the report or summary or listing, that:
 - a. “[Firm] does and seeks to do business with companies covered in its research reports. As a result, investors should be aware that the firm may have a conflict of interest that could affect the objectivity of this report.”
 - b. “Investors should consider this report as only a single factor in making their investment decision.”
2. Transparency of Analysts’ Performance. The firm will make publicly available (via its website, in a downloadable format), no later than 90 days after the conclusion of each quarter, the following information, if such information is included in any research report (other than any research report limited to purely quantitative analysis) prepared and furnished by the firm during the prior quarter: subject company, name(s) of analysts(s) responsible for certification of the report pursuant to Regulation AC, date of report, rating, price target, period within which the price target is to be achieved, earnings per share forecast(s), period(s) for which such forecast(s) are applicable (e.g., 3Q03, FY04, etc.), and definition/explanation of ratings used by the firm.
3. Applicability. Except as specified in the second and third sentences of this Section II.3, the restrictions and requirements set forth in Section I [Separation of Research and Investment Banking] and Section II [Disclosure/Transparency and Other Issues] of these Standards will only apply in respect of a research report that is both (i) prepared by the firm, and (ii) that relates to either (A) a U.S. company, or (B) a non-U.S. company for which a U.S. market is the principal equity trading market; provided, however, that such restrictions and requirements do not apply to Research activities relating to a non-U.S. company until the second calendar quarter following the calendar quarter in which the U.S. market became the principal equity trading market for such company. Notwithstanding the foregoing, Section I.7 [Coverage] of these Standards will also apply to any research report that has been *furnished* by the firm to investors in the U.S., but not prepared by the firm, but only to the extent that the report relates to either (A) a U.S. company, or (B) a non-U.S. company for which a U.S. market is the principal equity trading market. Also notwithstanding the foregoing, Section II.1 [Disclosures] of these Standards will also apply to any research report that has been *furnished* by the firm to investors in the U.S., but not prepared by the firm, including a report that relates to a non-U.S. company for which a U.S. market is not the principal equity trading market, but only to the extent that the report has been furnished under the firm’s name, has been prepared for the exclusive or sole use of the firm or its customers, or has been customized in any material respect for the firm or its customers.

- a. For purposes of this Section II.3, the firm will be deemed to have furnished a research report to investors in the U.S. if the firm has made the research report available to investors in the U.S. or has arranged for someone else to make it available to investors in the U.S.
- b. For purposes of this Section II.3, a “U.S. company” means any company incorporated in the U.S. or whose principal place of business or headquarters is in the U.S.
- c. For purposes of this Section II.3, the calendar quarter in which a non-U.S. company’s “principal equity trading market” becomes the U.S. market is a quarter when more than 50% of worldwide trading in the company’s common stock and equivalents (such as ordinary shares or common stock or ordinary shares represented by American Depositary Receipts) takes place in the U.S. Trading volume shall be measured by publicly reported share volume.

4. General.

- a. The firm may not knowingly do indirectly that which it cannot do directly under these Standards.
- b. The firm will adopt and implement policies and procedures reasonably designed to ensure that its associated persons (including but not limited to the firm’s Investment Banking personnel) cannot and do not seek to influence the contents of a research report or the activities of Research personnel for purposes of obtaining or retaining investment banking business. The firm will adopt and implement procedures instructing firm personnel to report immediately to a member of the firm’s legal or compliance staff any attempt to influence the contents of a research report or the activities of Research personnel for such a purpose.
- c. In limited circumstances a firm may propose a specific alternative method for complying with one or more of the Standards, which will be considered only if such alternative method is consistent with the intent of the Standards and achieves the same substantive objective. For example, if a small firm finds implementation of a particular Standard impractical, e.g., Physical Separation, it may propose an alternative method.

5. Timing. Unless otherwise specified, the restrictions and requirements of these Standards will be effective within 120 days of the approval by the State Treasurer’s Office of the firm’s plan or policy, except that Sections I.5 [Compensation], I.6 [Evaluations], I.7 [Coverage], I.8 [Termination of Coverage], I.9 [Prohibition on Soliciting Investment Banking Business], I.11 [Additional Restrictions on Activities by Research and Investment Banking Personnel], and II.4.a [General (subpart a)] of the Standards will be effective within 60 days of approval by the State Treasurer’s Office.

6. Review of Implementation. The State Treasurer’s Office reserves the right to request an independent audit or confirmation of compliance with these Standards, and, in the case of

those firms party to the Global Settlement, a copy of the report prepared by the Independent Monitor.

7. Superseding Rules and Amendments. In the event that the SEC adopts a rule or approves an SRO rule or interpretation that supersedes any of the provisions of these Standards, the SEC or SRO rule or interpretation will govern with respect to that provision of the Standards and such provision will be superseded.
8. Other Obligations and Requirements. Except as otherwise specified, the requirements and prohibitions of the Standards shall not relieve the firm of any other applicable legal obligation or requirement.

Investment Protection Standards Certification

I. Separation of Research and Investment Banking

- I.1. Reporting Lines. Research and Investment Banking will be separate units with entirely separate reporting lines within the firm – i.e., Research will not report directly or indirectly to or through Investment Banking. For these purposes, the head of Research may report to or through a person or persons to whom the head of Investment Banking also reports, provided that such person or persons have no direct responsibility for Investment Banking or investment banking activities.

Please describe below, with specificity, how the firm will timely comply with this Standard. Use additional pages if necessary. Attach the relevant provisions of the specific firm policy that applies to this Standard.

- I.2. Legal/Compliance. Research will have its own dedicated legal and compliance staff, who may be a part of the firm's overall compliance/legal infrastructure.

Please describe below, with specificity, how the firm will timely comply with this Standard. Use additional pages if necessary. Attach the relevant provisions of the specific firm policy that applies to this Standard.

- I.3. Budget. Beginning with the firm's next fiscal year and thereafter, Research budget and allocation of Research expenses will be determined by the firm's senior management (e.g., CEO/Chairman/management committee, other than Investment Banking personnel) without input from Investment Banking and without regard to specific revenues or results derived from Investment Banking, though revenues and results of the firm as a whole may be considered in determining Research budget and allocation of Research expenses. On an annual basis thereafter, the Audit Committee of the firm's holding/parent company (or comparable independent persons/group without management responsibilities) will review the budgeting and expense allocation process with respect to Research to ensure compliance with this requirement.

Please describe below, with specificity, how the firm will timely comply with this Standard. Use additional pages if necessary. Attach the relevant provisions of the specific firm policy that applies to this Standard.

- I.4. Physical Separation Research and Investment Banking will be physically separated. Such physical separation will be reasonably designed to prevent the intentional and unintentional flow of information between Research and Investment Banking.

Please describe below, with specificity, how the firm will timely comply with this Standard. Use additional pages if necessary. Attach the relevant provisions of the specific firm policy that applies to this Standard.

I.5.a-f Compensation Compensation of professional Research personnel will be determined exclusively by Research management and the firm's senior management (but not including Investment Banking personnel) using the principles listed on Page 3, Section I.5.a-f, of the Investment Protection Standards.

On an annual basis, the Compensation Committee of the firm's holding/parent company (or comparable independent persons/group without management responsibilities) will review the compensation process for Research personnel. Such review will be reasonably designed to ensure that compensation decisions have been made in a manner that is consistent with these requirements.

Please describe, in detail, how your organization will establish a review of the compensation process for Research personnel. Use additional pages if necessary.

Is this review reasonably designed to ensure that compensation decisions have been made in a manner that is consistent with the requirements listed in Section I.5.a-f? If the answer to this question is yes, please describe in detail how and your firm intends to ensure compliance with this Standard.

Please attach the relevant provisions of the specific organizational policy that applies to this Standard.

I.6. Evaluations. Evaluations of Research personnel will not be done by, nor will there be input from, Investment Banking personnel.

Please describe below, with specificity, how the firm will timely comply with this Standard. Use additional pages if necessary. Attach the relevant provisions of the specific firm policy that applies to this Standard.

- I.7. Coverage. Investment Banking will have no input into company-specific coverage decisions (i.e., whether or not to initiate or terminate coverage of a particular company in research reports furnished by the firm), and investment banking revenues or potential revenues will not be taken into account in making company-specific coverage decisions; provided, however, that this requirement does not apply to category-by-category coverage decisions (e.g., a given industry sector, all issuers underwritten by the firm, companies meeting a certain market cap threshold).

Please describe below, with specificity, how the firm will timely comply with this Standard. Use additional pages if necessary. Attach the relevant provisions of the specific firm policy that applies to this Standard.

- I.8. Termination of Coverage. When a decision is made to terminate coverage of a particular company in the firm's research reports (whether as a result of a company-specific or category-by-category decision), the firm will make available a final research report on the company using the means of dissemination equivalent to those it ordinarily uses; provided, however, that no final report is required for any company as to which the firm's prior coverage has been limited to purely quantitative analysis. Such report will be comparable to prior reports, unless it is impracticable for the firm to produce a comparable report (e.g., if the analyst covering the company and/or sector has left the firm). In any event, the final research report must disclose: the firm's termination of coverage; and the rationale for the decision to terminate coverage.

Please describe below, with specificity, how the firm will timely comply with this Standard. Use additional pages if necessary. Attach the relevant provisions of the specific firm policy that applies to this Standard.

- I.9. Prohibition on Soliciting Investment Banking Business. Research is prohibited from participating in efforts to solicit investment-banking business. Accordingly, Research may not, among other things, participate in any “pitches” for investment banking business to prospective investment banking clients, or have other communications with companies for the purpose of soliciting investment-banking business.

Please describe below, with specificity, how the firm will timely comply with this Standard. Use additional pages if necessary. Attach the relevant provisions of the specific firm policy that applies to this Standard.

- I.10. Firewalls Between Research and Investment Banking. So as to reduce further the potential for conflicts of interest or the appearance of conflicts of interest, the firm must create and enforce firewalls between Research and Investment Banking reasonably designed to prohibit all communications between the two areas.

Please describe below, with specificity, how the firm will timely comply with this Standard. Use additional pages if necessary. Attach the relevant provisions of the specific firm policy that applies to this Standard.

I.11. Additional Restrictions on Activities By Research and Investment Banking Personnel

- a. Research personnel are prohibited from participating in company – or Investment Banking – sponsored road shows related to a public offering or other investment banking transaction.
- b. Investment Banking personnel are prohibited from directing Research personnel to engage in marketing or selling efforts to investors with respect to an investment banking transaction.

Please describe below, with specificity, how the firm will timely comply with this Standard. Use additional pages if necessary. Attach the relevant provisions of the specific firm policy that applies to this Standard.

I.12. Oversight. An oversight/monitoring committee or committees, which will be comprised of representatives of Research management and may include others (but not personnel from Investment Banking), will be created to comply with Section I, paragraph 12, a through c.

Please describe, with specificity, the oversight committee of your firm including how the committee is selected and when your firm will establish a policy to ensure compliance with this standard. Use additional pages if necessary.

Please provide specific information about how your organization will enforce compliance with the standards included in Section I.12.a-c.

Please attach the relevant provisions of the specific organizational policy that applies to this Standard.

II. Disclosure/Transparency and Other Issues

- II.1. Disclosures. In addition to other disclosures required by rule, the firm must disclose prominently on the first page of any research report and any summary or listing of recommendations or ratings contained in previously-issued research reports, in type no smaller than the type used for the text of the report or summary or listing, that:

“[Firm] does and seeks to do business with companies covered in its research reports. As a result, investors should be aware that the firm may have a conflict of interest that could affect the objectivity of this report.”

“Investors should consider this report as only a single factor in making their investment decision.”

Please describe below, with specificity, how the firm will timely comply with this Standard. Use additional pages if necessary. Attach the relevant provisions of the specific firm policy that applies to this Standard.

II.2. Transparency of Analysts' Performance. The firm will make publicly available (via its website, in a downloadable format), no later than 90 days after the conclusion of each quarter, the following information, if such information is included in any research report (other than any research report limited to purely quantitative analysis) prepared and furnished by the firm during the prior quarter: subject company, name(s) of analysts(s) responsible for certification of the report pursuant to Regulation AC, date of report, rating, price target, period within which the price target is to be achieved, earnings per share forecast(s), period(s) for which such forecast(s) are applicable (e.g., 3Q03, FY04, etc.), and definition/explanation of ratings used by the firm.

Please describe, in detail, whether or not your organization is currently complying with this Standard. Use additional pages if necessary.

If you are currently complying with this Standard, list the URL for the website that includes this information.

If you are not currently complying with this Standard, state when the firm will be in compliance.

Please attach the relevant provisions of the specific organizational policy that applies to this Standard.

II.4. General.

- a. The firm may not knowingly do indirectly that which it cannot do directly under these Standards.
- b. The firm will adopt and implement policies and procedures reasonably designed to ensure that its associated persons (including but not limited to the firm's Investment Banking personnel) cannot and do not seek to influence the contents of a research report or the activities of Research personnel for purposes of obtaining or retaining investment banking business. The firm will adopt and implement procedures instructing firm personnel to report immediately to a member of the firm's legal or compliance staff any attempt to influence the contents of a research report or the activities of Research personnel for such a purpose.

Please describe below, with specificity, how the firm will meet or comply with this Standard. Use additional pages if necessary. Attach the relevant provisions of the specific firm policy that applies to this Standard.